



FISCAL MEMORANDUM

HB 785 - SB 750

April 4, 2023

SUMMARY OF BILL AS AMENDED (007165): Creates the “Promising Futures Account” in the State Treasury. Requires the Department of Human Services (DHS), in consultation with the Department of Education (DOE), to create and implement the Promising Futures Program to provide scholarships to assist parents and legal guardians of children who are not school age to develop early language and literacy skills in high-quality early care and learning programs by July 1, 2024. Establishes Promising Futures Scholarship requirements. Requires DOE to appoint an advisory group that makes recommendations to the department on the implementation of the Promising Futures Program by July 1, 2023. Authorizes DHS and DOE to use funds in the Promising Futures Account for expenses incurred by either department due to the Promising Futures Program's administration, marketing expenses, and evaluation.

FISCAL IMPACT OF BILL AS AMENDED:

**Increase State Revenue - Exceeds \$40,000,000/FY23-24 and Subsequent Years/
Promising Futures Account**

Increase State Expenditures –
**Exceeds \$40,000,000/FY23-24 and Subsequent Years/
General Fund**
**Exceeds \$40,000,000/FY23-24 and Subsequent Years/
Promising Futures Account**

Assumptions for the bill as amended:

- The proposed legislation creates the Promising Futures Account with the State Treasury composed of funds appropriated by the General Assembly for the Promising Futures Program. It further requires amounts remaining in the account at the end of each fiscal year to not revert to the General Fund and the funds in the account to be invested by the State Treasurer for the sole benefit of the account. All earnings attributable to such investments must be credited to the Promising Futures Account.
- Scholarship recipients must be at least six weeks of age and not yet old enough to attend free public school pursuant to Tenn. Code Ann. § 49-6-3001.
- The proposed legislation creates a task force to create marketing and enrollment goals, create a request for proposal or the marketing and outreach functions, select vendors, and evaluate the progress of the vendors.

- The task force will be comprised of:
 - One staff member of DHS who is appointed by the commissioner of DHS;
 - One member who is appointed by the Commissioner of DHS;
 - One staff member of DOE who is appointed by the commissioner of DOE; and
 - One member who is appointed by the Commissioner of DOE.
- The proposed legislation authorizes DHS and DOE to use funds in the Promising Futures Account for expenses incurred by the departments due to the Promising Futures Program's administration, marketing expenses, and evaluation; provided, that the expenses shall not exceed the amounts appropriated for the Promising Futures Account as follows:
 - 2.5% for DHS and 2.5% for DOE in FY23-24; and
 - 1.5% for DHS and 1.5% for DOE in FY24-25 and subsequent fiscal years.
- The costs related to administration, marketing, the task force, and evaluation will be funded through the Promising Futures Account. It is assumed that DHS and DOE will use the full amounts available and the full remaining amounts will be spent on scholarships each year.
- The Promising Futures Program is subject to annual appropriations made by the General Assembly, and, therefore, the distribution of scholarships will be dependent on available funding. While the precise amount of future appropriations is unknown, it is reasonably estimated that such appropriations will result in an increase in state expenditures exceeding \$40,000,000 in FY23-24 and subsequent years.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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